

**IFC, ADM Capital Launch Innovative Financing To Turn Around Asian Midsize Companies, Save Jobs**



**Hong Kong SAR, China, May 21, 2012**—IFC, a member of the World Bank Group, and ADM Capital, a leading investor in stressed companies in Asia and Europe, have launched an innovative lending facility that provides a safety net for sound, but financially stressed, Asian midsize companies to save jobs as financing from European banks has dried up in the wake of the sovereign debt crisis.

The Asia Secured Lending Facility fills a financing gap for midsize companies such as cement manufacturers, solar-cell producers, and textile makers in Asia, which are left with few financing options at affordable interest rates given their comparatively small size and sharply reduced investor risk appetite.

Prior to the crisis, many midsize enterprises had access to finance from non-traditional funding sources such as mezzanine funds, proprietary desks of investment banks, and special funds.

“With the recent financial crises, such lending has collapsed, leaving many companies financially stressed or constrained with limited or no access to emergency financing,” said Christopher Botsford, CEO of ADM Capital. “IFC and ADM Capital will help such companies by making loan financing available when they need it most.”

The financial crises have resulted in a funding gap particularly in the eight to 20 percent lending rate bracket.

IFC and Arch Reinsurance Ltd., a subsidiary of Arch Capital Group Ltd. which provides insurance and reinsurance on a worldwide basis through its subsidiaries, have each committed seed capital of \$50 million to the facility. ADM Capital manages the facility by making emergency loans to companies to complete stalled projects, bridge temporary liquidity shortages, make critical investments, or to restructure balance sheets.

The facility focuses on companies in China, India, Indonesia, the Philippines, Sri Lanka, Thailand, and Vietnam with the aim of positioning them for a healthy recovery. Individual loans are expected to range from \$10 to \$15 million with maturities of up to three years. ADM Capital brings a set of environmental, social, and governance principles to its lending that reflect IFC's Performance Standards for Environmental and Social Sustainability.

"While Asia has been somewhat less affected by the recent financial crises, midsize companies critical to Asia's economies suffer the most from a dearth of financing," said Serge Devieux IFC Director for Financial Markets Asia. "Through this facility, IFC and ADM Capital will support viable businesses to save jobs, protect employees, and increase the welfare among communities."

The Asia Secured Lending Facility has an innovative structure in which investor participation is structured in the form of a syndicated loan facility with a revolving senior tranche plus a junior tranche and principal repayment to investors after eight years. It targets an eventual size of up to \$300 million.

### **About IFC**

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. We help developing countries achieve sustainable growth by financing investment, providing advisory services to businesses and governments, and mobilizing capital in the international financial markets. In fiscal 2011, amid economic uncertainty across the globe, we helped our clients create jobs, strengthen environmental performance, and contribute to their local communities—all while driving our investments to an all-time high of nearly \$19 billion. For more information, visit [www.ifc.org](http://www.ifc.org).

### **About ADM Capital**

ADM Capital is a global investment manager with \$1.7 billion assets under management as of April 30, 2012. ADM Capital was founded in 1998 in the aftermath of the Asian Financial Crisis and the firm has over 14 years of emerging market investment experience. ADM Capital has seven offices in Hong Kong, Mumbai, Beijing, Istanbul, London, Almaty and Kiev.

ADM Capital has invested \$2.7 billion across 99 private transactions since inception, of which 64 have been fully exited. ADM Capital seeks to achieve long-term capital appreciation by focusing on rehabilitating operationally strong but financially stressed companies via restructuring, rescheduling, refinancing, debt-equity swaps, and liquidity management, and will also fund growth opportunities where alternative sources of capital are not available.

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